FOR MYSORE STATE

Govt. E-27—

Firka Development (1950) Department.

MS SERIES.

G.O. NO. 296

Dated 10/4/50

[Despatch Abstract.]

H.R.E. Board — Establishment — Peishcar — gratuity etc — grant of Rates — Records

For Mysore State (Copy)

SUMMARISING NOTE.

The H.R.E. Board was constituted as early as in 1925 by the H.R.E.Act and several men with suitable qualifications were recruited to the various posts under the Board, but no provision was made for the payment of pension, or provident fund to the servants of the Board, as the Board had then no funds of its own but had to start on money borrowed from Government. With the improvement in the finances of the Board contributory Provident Fund system was introduced from 1-3-1942 for the benefit of Board's servants. In the meantime several of the senior officers and servants of the Board who had been in service since 1925 retired without earning the benefit of the provident fund. The H.R.E.Board, has now proposed to make provision in the Board's rules for the payment of pension, gratuity and compassionate gratuity as in the case of the Government servants and apply the rules to the members of its staff including those who have retired or died. The President, has forwarded a set of draft rules proposed by the Board for the purpose for the approval of Government and they are on pp. 65-66 c.f.

2. The proposals of the President have been examined in consultation with the Examiner of L.F.A./Cs. and the Fin. Dept. The financial commitment to the Board on account of these proposals will be a recurring annual liability of about Rs.29,000/- besides a non-recurring laibility of Rs.3,100/- which relates to the payment of compassionate gratuity to the families of the deceased members of the Board's staff. The whole expenditure will be met from the accumulated funds of the Board. For this purpose, it is proposed to invest about 12 lakhs out of the 13 lakhs of rupees now outstanding to the credit of the Board and the interest accued thereon will be sufficient to meet the expenditure. The Examiner of L.F.A/cs. has verified the correctness of the calculations of the president, regarding the annual liability etc. Finance Dept. have suggested the these prpposals may be deferred till the provincialisation of the Board and have also taken objection to giving retrospective effect to the benefit of pension from the date of their first appointment to the Board's service. This suggestion of Finance was based on the supposition that the

Board's finances will not be affluent in normal times and that if the Board is eventually provincialised, the burden of payment the pension etc. will ultimately fall on the Government. The financies of the Board were examined in connextion with the question of the provincialization of the Board and from the statistics of Expenditure and Receipts furnished by the Board, it was held that the administration of the Board would not at any time be a burden on the provincial finances and that procincialisation might be undertaken. After the provincialisation of the Board, the assets of the Board from which it is now prposed to meet the expenditure on account of these proposals, may all be merged with the Provincial Funds according to the provisions of the Bill and as such there may not be any burden on the provincial finances on account of these proposals. The very object of these proposals is to benenfit the serv ants of the Board who had retired or died after a long service and also the other existing members from the date of their service. Unless retrospective effect is given to the rules proposed there will be no need for these proposals at all and the very object of giving relief to the members of the ~~sxx~~ staff in their old age will be defeated. The case was circulated to H.M.(P.H.) and H.M.(Fin) and H.Pr., on 30-7-1949 for orders on the above proposals. H.M.(P.H.) has minuted that these proposals are fair, but desired that definite rules and regulations might be framed for the services of the H.R.E.Board staff, like the rest of the services of the Government before these proposals are sanctioned. It has been explained on pp.21-24 ante that even now there are rules governing the conditions of services of the Boards's staff which, in broad principles, correspond to the rules prescribed for Government servants of similar standing and status and that the existing set of rules are adequate for the present, and at any rate, after the provincialisation of the Board, the rules applicable to Government servants will become applicable to the H.R.E.Board Staff.

The file has been again circulated to H.M. on 19-11-49 for orders, and it was ordered then that the proposals for pension etc., might wait for sometime till Clasue 90 of the H.R.&C.E.Bill relating to the continuance of ~~thostheirs~~ otherwise e of the existing staff, is fainally shaped the J.S.C., which was then examining the Bill.

4. The Joint Select Committee has since finalised the H.R.& C.E.

Bill, 1949, and the Bill as revised by the J.S.C. will be introduced in the Legislature next month. Clause 90 of the original Bill provides that such of the staff, as the Provincial Government may coniser suitable, may be appointed to the various offices provided for in the Act to which they may be deemed qualified and that the conditions of their service may be regulated by rules made by the Provincial Government from time to time. Clause 104 of the revised Bill which corresponds to clause 90 of the old Bill amplifies the above provisions, providing further that the rules made by Provincial Govt. shall apply to the staff so appointed, as it they had been appointed to the service under Govt. with reference to the date of their first appointment under the Board. The J.S.C., has retained the provision regarding the payment of pension, gratuity, provident fund etc. to those that will not be absorbed in Govt. service after the enactment of the Bill. As has already been pointed out previously, if the Board is permitted now (i.e. before the enactment of the Bill) to sanction the payment of pension, gratuity etc., there may not be any need for fresh rules or regulations at the time of according relief by way of pension etc., to such of those Board's servants as will not be absorbed in Govt. service. In the circumstances, it is for consideration whether orders may be obtained in circulation as to whether the proposal will be sanctioned now or whether these proposals should wait till the enactment of the H.R. & C.E. Bill, 1949.

The proposal in this case is to make provision in the Board's Rules for the payment of pension, gratuity and compassionate gratuity at the rates and conditions prescribed for Govt. servants, to the members of the staff of the H.R.E. Board, including those who have retired or died. The reasons for not pursuing the proposals till now are exaplained in paras 2 and 3 of the note above.

In the circumstances explained in para 4 above, it seems not necessary to put off the acceptance of these rules. Further, a separate provision has been made in clause 100 of the H.R.E.Bill, as finally redrafted on the recommendations of the Joint Select Committee to make rules on the following two matters;

(aa) the grant of pension or gratuities to officers and servicants of the Board who retired before the commencement of

this Act; and

(bb) the grant of gratuities to the heirs of deceased officers and servants of the Board including those who had retired before the commencement of this Act.

When the present rules are issued, there will be no need to issue separate rules under (aa) and (bb) referred to above and these rules can be adopted for purposes of the sub-clauses.

If the issue of the rules is put off, several members of the staff who have already retired, will not be able to bet the nonefit now and will have to wait till the rules are issued under the H.R. & C.E. Bill. Since it has been decided by the J.S.C. in principle that pension and gratuities should be given to officers and servants of the Board who have retired already and also to those who may not be appointed or absorbed after the H.R. & C.E. Bill is enacted, there seems to be no harm in issuing the rules now itself. For orders.

In view of the fact that the H.R.E. Bill will be taken up for consideration next month by the Legislative Assembly and the hope of its early passage through both the Houses of Legislature and enacted, I would like this question to be postponed for the time and taken up after the passage of the Bill. Provision is made in the Bill for payment of pension to those employees who will be continued in service and for payment of gratuity or other compassionate allowance to those whose services will be terminated. There does not seem to be any urgency to consider this question now. This file may therefore be put up for orders after the Bill is passed into law.

Please see the minutes of H.M.(H) above. The pps. may be

Order/Hs.296 Recorded Dated 10-4-50.

Abstract.

H.R.E.Board - Establishment - pension - gratuity etc - grant of papers - recorded.

/True copy/

Compared by.
(1) M. Narasimha 27/5.
(2) V. Ramadoss
hch.26/5.

SUPERINTENDENT.